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ARE ATTACHED:
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ER 0456X 88

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SUBJECT:

~~CONFIDENTIAL~~

Central Intelligence Agency



Washington D.C. 20505

DDI- 00757x-88

4 MAR 1988

The Honorable Morton I. Abramowitz
 Assistant Secretary for Intelligence and Research
 Department of State
 Washington, D.C. 20520

Dear Mort:

Bob Gates asked me to reply to your letter of 12 February regarding funding of external analysis. We also have been grappling with the problem of funding contracts despite recent budget cuts. In fact, several of our offices have had to cancel projects for lack of money. Given this situation, I'm afraid that we cannot offer any help in the form of a block transfer of funds.

We may, however, be able to help out on some individual projects, as we have done in the past. I have distributed your list of unfunded contracts to offices in the Directorate of Intelligence to see if any are interested in providing resources. I encourage INR officers to contact directly their counterparts in the DI to discuss possible CIA funding for the Bureau's unfunded studies and conferences.

We examined our own list of contracts and found several ongoing projects (see enclosure) that appear to be at least indirectly related to items on the Bureau's list. INR officers who would like to participate in any of the conferences, obtain the products of contract studies, or explore the possibilities for joint projects should talk to their DI counterparts or to our External Research Coordinator, [redacted]

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In addition to cooperating on this year's contracts, officers in both of our organizations should be thinking about joint projects as we begin planning for research in fiscal 1989. I suspect there are many opportunities for collaboration that will serve both INR and DI objectives and make our contract dollars go farther.

Sincerely,

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[redacted]
 Richard J. Kehr
 Deputy Director for Intelligence

Enclosure



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The Honorable Morton I. Abramowitz

[] EA/DDI: [] (3 Mar 88)

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Distribution:

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ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI	X			
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC		X		
10	GC				
11	IG				
12	Compt		X		
13	D/OCA				
14	D/PAO				
15	D/PERS				
16	D/Ex Staff				
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22	ER				
SUSPENSE		26 Feb '88			
		Date			

Remarks

To #5: Please prepare co-ordinated response for DDCI's signature.

 STAT

Executive Secretary

18 Feb '88

Date

3637 (10-81)

ASSISTANT SECRETARY OF STATE
WASHINGTON

88-0456X

Mr. Robert M. Gates
Deputy Director of Central Intelligence
Central Intelligence Agency

February 12, 1988

Dear Bob:

In recent years INR and the Agency have worked together in funding contract research and conferences for our mutual benefit. Because of State's resource constraints, INR's FY 1988 budget for external analysis is a mere \$200,000. About \$125,000 is obligated. We have over \$400,000 worth of requirements chasing the remaining \$75,000 and urgent and important new requirements can be expected.

I feel confident that most of the projects on our unfunded list deal with matters of concern to the Agency. Indeed, most address a National Intelligence Topic. Many are low cost conferences and these always have served broad Community interests as well as those of State policymakers.

The list of unfunded projects is enclosed. While I realize that the Agency's budget also is constrained, I hope there might be room in it to support this program. A transfer of funds that we could apply flexibly would be of greatest help. We would, of course, work closely with relevant CIA offices in implementing the program. Our contracting office's procurement deadlines, which begin in March for projects costing more than \$25,000, mean that we will need to inform them soon which projects can be funded this fiscal year.

Please let me know if the Agency can help in this regard. Questions about specific projects can be answered by Kenneth Roberts (632-6080) or Ray Platig (632-2025) in our Office of Research. I look forward to your response.

Sincerely,

Morton I. Abramowitz

Enclosure:

Proposed Projects

DCI
EXEC
REG

USSR

	<u>TITLE</u>	<u>FORMAT</u>	<u>EST. COST</u>
1.	Gorbachev, "Glasnost" and Soviet Emigration Since 1985	Study	\$ 1,000
2.	The Role of Technology in the Gorbachev Era	Conference	3,000
3.	The Soviet Perception of New Arms Control Initiatives by the West	Conference	6,000
4.	Implications of an INF Agreement for Soviet Strategy and Verification	Conference	9,500
5.	Chemical, Biological and Nuclear Warfare--External Analytical Support on Key Questions	Study/ Consultations	5,000
6.	Soviet Social, Political and Economic Contacts with the Turkmens of Northwestern Afghanistan	Study	12,800
7.	Policy Implications of Inter-Ethnic Relations in the USSR	Study	<u>13,216</u>
	USSR Total		\$ 50,516

NATO

	<u>TITLE</u>	<u>FORMAT</u>	<u>EST. COST</u>
1.	NATO: Increasingly an a la Carte Alliance?	Conference	\$ 3,000
2.	The Politics of East-West Economic Cooperation in Europe	Conference	3,000
3.	The US Image Abroad: Growing Anti-Americanism?	Conference	4,000
4.	Conventional Arms Control--External Analytical Support on Key Questions	Study/ Consultations	<u>10,000</u>
	NATO Total		\$ 20,000

Asia

	<u>TITLE</u>	<u>FORMAT</u>	<u>EST. COST</u>
1.	The Shrinking Japanese Trade Surplus: Impact on the Economy, Political Attitudes and Foreign Policy	Conference	\$ 3,000
2.	New Directions for Japanese Leadership?	Conference	3,000
3.	US-Soviet-PRC Interactions: The View from Washington and Beijing (Partial funding for a larger project at the U. of Washington)	Study/ Conferences	9,000
4.	Chinese Agricultural Policy: Have Reforms Run Their Course?	Conference	1,500
5.	A New Look at North Korea: At Home and Abroad	Conference	2,000
6.	ROK Politics After the Transition: Prospects for Democracy	Study	5,000
7.	Role of New Intermediate Institutions in the ROK (Labor Unions, Local Government, and Business Organizations)	Study	20,000
8.	Indian Negotiating Techniques--A comprehensive exposition paralleling the RAND study on China	Study	90,000
9.	US-Indian Relations: Growing Ties?	Conference	2,300
10.	Prospects for Post-Withdrawal Afghanistan	Conference	<u>2,300</u>
	Asia Total		\$136,100

S&T Issues

<u>TITLE</u>	<u>FORMAT</u>	<u>EST. COST</u>
1. International Competitiveness: Production and Marketing of Technology-Based Goods	Study/ Conference	\$ 10,000
2. Implications for US Interests of Increasing Foreign S&T Competition	Study	23,727
3. Future Directions for the Committee on R&D of the International Energy Agency	Study	<u>25,000</u>
S&T Total		\$ 58,727

Other Countries and Concerns

<u>TITLE</u>	<u>FORMAT</u>	<u>EST. COST</u>
1. Reconciliation of Conflict in African Countries	Conference	\$ 3,500
2. Ethiopia's Dilemmas: Political Demands on the Agrarian Economy	Conference	2,300
3. Violence in the Israeli Occupied Territories	Conference	2,300
4. Ideology vs. Pragmatism in Iraq	Conference	2,300
5. Libya and the Superpowers	Conference	2,300
6. Syria and the Superpowers	Conference	2,300
7. Morocco: Domestic and Foreign Policy Challenges	Conference	2,300
8. International Aviation Policy: Dealing with the Europeans	Study	50,000
9. RAND Consulting--Brief analytical consultations with experts on a range of political-military, regional and economic topics	Studies/ Conferences/ Consultations	<u>75,000</u>
Other Total		\$142,300
<u>Grand Total</u>		<u>\$409,643</u>